

## Message Text

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PAGE 01 ISLAMA 00969 01 OF 02 271951Z  
ACTION NEA-10

INFO OCT-01 ISO-00 EB-08 /019 W  
-----272253Z 072644 /70

R 271036Z JAN 77  
FM AMEMBASSY ISLAMABAD  
TO USDOC WASHDC  
INFO SECSTATE WASHDC 9660  
AMCONSUL KARACHI

UNCLAS SECTION 1 OF 2 ISLAMABAD 0969/1

E.O. 11652: N/A  
TAGS : BTIO, EMIN, PK  
SUBJ: INVESTMENT OPPORTUNITY: SAINDAK COPPER

REF: 76 ISLAMABAD 4325

1. DURING RECENT VISIT OF EMBOFF TO KARACHI, DR. S. A. BILGRAMI, GENERAL MANAGER OF RESOURCE DEVELOPMENT CORPORATION (RDC), 8TH FLOOR, DAWOOD CENTER, KARACHI 4, PAKISTAN STATED THAT HIS GOVERNMENT-OWNED CORPORATION WAS NOW READY TO DISCUSS PARTICIPATION BY A FOREIGN MINERALS FIRM IN EXPLOITATION OF THE SAINDAK COPPER DEPOSIT. AS REPORTED IN REFTEL RDC HAS COMPLETED ITS CORE DRILLING PROGRAM TO ESTABLISH COPPER RESERVES. IT HAS NOW CONTRACTED WITH CELTRUST ENGINEERING LTD OF THE UK TO COMPLETE A MINING FEASIBILITY STUDY BY DECEMBER 1977 AND RETAINED MOUNTAIN STATES RESEARCH AND DEVELOPMENT OF TUCSON, ARIZONA AS RDC CONSULTANTS.

2. BILGRAMI BELIEVES NOW IS THE APPROPRIATE TIME TO ARRANGE COLLABORATION WITH A FOREIGN PARTNER SO THAT THE LATTER COULD JOIN IN DIRECTING AND MONITORING THE CELTRUST FEASIBILITY STUDY. THIS MIGHT ELIMINATE SOME DELAY AS ANY FOREIGN PARTNER WOULD WANT SOME INPUT INTO FEASIBILITY STUDY. BILGRAMI IS HIGHLY OPTIMISTIC WITH REGARD TO THE ECONOMIC FEASIBILITY OF THE SAINDAK PROJECT.  
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SWEET WATER IN SUFFICIENT QUANTITY HAS BEEN LOCATED LESS THAN 50 MILES FROM THE DEPOSIT. THE NATIONAL FERTILIZER CORPORATION HAS INDICATED AN ABILITY TO UTILIZE THE FULL SULFURIC ACID BY-PRODUCT. THE EXISTING RAILWAY WHICH NOW PASSES 29 MILES SOUTH OF THE DEPOSIT IS BEING UPGRADED MAKING IT FEASIBLE TO HAUL THE ORE TO A SMELTER SITE AT SUKKUR ON THE INDUS RIVER WHERE WATER, ELECTRICITY AND GAS WILL BE AVAILABLE.

3. EMBASSY RECOMMENDS THAT ANY FIRM INTERESTED IN PARTICIPATION IN THE SAINDAK PROJECT SEND APPROPRIATE LEVEL PERSONNEL TO KARACHI TO MEET WITH BILGRAMI. OFFICIALS FROM TEXASGULF HAVE RECENTLY DISCUSSED THE PROJECT WITH RDC AND U.S. STEEL, KENNICOTT AND KAISER ARE ALL BELIEVED TO HAVE SHOWN EARLIER INTEREST. BILGRAMI STATED THAT RDC IS NO LONGER INTERESTED IN DISCUSSING A MANAGEMENT ONLY ARRANGEMENT. IT WILL NEGOTIATE MANAGEMENT WITH A FIRM INTERESTED IN EQUITY PARTICIPATION. BILGRAMI SAYS THAT TECHNICAL INFORMATION HAS BEEN FED TO WORLD BANK AND ASIAN DEVELOPMENT BANK AND ONCE A FOREIGN PARTNER'S WISHES ARE DETERMINED, THE GOP WOULD BE WILLING TO APPROACH THOSE SOURCES AND/OR OPEC FUNDS FOR PARTICIPATION.

4. FOLLOWING ARE SUMMARIES OF GEOLOGIC AND RESERVE INFORMATION PROVIDED BY RDC:  
NORTH ORE BODY: NINETEEN BORE HOLES WERE DRILLED TO PROVE A BODY OF 19 MILLION TONS OF ORE AVERAGING 0.498 PERCENT COPPER AT A CUT-OFF GRADE OF 0.30 PERCENT. THE ORE IS DEVELOPED MOSTLY ALONG VEIN ZONES WHICH ALSO CARRY GOOD GOLD VALUES. OXIDE MINERALIZATION IS ALSO PRESENT IN PATCHES.

5. SOUTH ORE BODY: TWENTY SEVEN BORE HOLES WERE DRILLED TO PROVE A TOTAL RESERVE OF 54 MILLION TONS AVERAGING 0.488 PERCENT COPPER AT A CUT-OFF GRADE OF 0.3 PERCENT. THIS INCLUDES 27 MILLION TONS OF 0.64 PERCENT COPPER AT A CUT-OFF GRADE OF 0.4 PERCENT.  
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SIGNIFICANT GOLD AND MOLYBDENUM VALUES ARE ASSOCIATED WITH THIS ORE BODY. ABOUT 39 MILLION TONS OF ORE IS ESTIMATED TO CARRY 0.7 GRAMS OF GOLD PER TON OF ORE. THE ORE BODY IS COMPACT AND DEVELOPED WITHIN A FEW METERS OF THE SURFACE. THE ORE MINERALIZATION HAS BEEN PROVED TO A DEPTH OF 328 METERS BUT IS STILL OPEN TO DEPTH. THE ORE BODY IS DEVELOPED QUITE CLOSE TO THE SURFACE (7 METERS) AND PLUNGES ON BOTH SIDES. A ROCK WASTE OF ABOUT 65 MILLION TONS OF BELOW 0.3 PERCENT COPPER IS ESTIMATED TO OVERLIE THE TOP AND SIDES OF THE ORE BODY.

6. EAST ORE BODY: THIS BODY IS THE LARGEST OF THE THREE. 37 BORE HOLES WERE DRILLED TO ESTABLISH TOTAL RESERVES OF 264 MILLION TONS AVERAGING 0.388 PERCENT COPPER AT A CUT-OFF GRADE OF 0.3 PERCENT.

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PAGE 01 ISLAMA 00969 02 OF 02 272219Z  
ACTION NEA-10

INFO OCT-01 ISO-00 EB-08 /019 W  
-----272254Z 075225 /70

R 271036Z JAN 77  
FM AMEMBASSY ISLAMABAD  
TO USDOC WASHDC  
INFO SECSTATE WASHDC 9661  
AMCONSUL KARACHI

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THE RESERVES HAVE BEEN VERIFIED BY BENCH GRADE PLANS DEVELOPED AT 12 METER VERTICAL INTERVAL BETWEEN 972 AND 476 METERS AMSL. THE TOTAL RESERVES INCLUDE PROVED AND PROBABLE RESERVES OF 207 AND 57 MILLION TONS RESPECTIVELY. IT CARRIES AN INNER ZONE WITH 152 MILLION TONS AVERAGING 0.43 PERCENT COPPER AT CUF-OFF OF 0.35 PERCENT . A SOFT STRIPPABLE WASTE 2 METERS THICK (ABOUT 19 MILLION TONS) OVERLIES MOST OF THE ORE BODY. A ROCK WASTE WITH 0.25 OR LESS PERCENT COPPER ALSO OVERLIES TOP AND SIDES OF ORE BODY (445 MILLION TONS). THE ORE BODY IS DEVELOPED CLOSEST TO THE SURFACE AT 7 METERS AND PLUNGES SHARPLY ON THE SIDES TO 140 METERS DEPTH, FORMING ROUGHLY AN ELONGATED DOME.

7. A PACKET OF GEOLOGICAL AND ECONOMIC DATA PROVIDED BY RDC IS BEING POUCHED TO PATRICK MULLIGAN, NEA/PAB. CONSTABLE

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## Message Attributes

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